

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 601 (Senator Hester)
 Education, Energy, and the Environment

Cybersecurity - Standards and Compliance - Alterations

This bill makes various changes to the statutory framework governing cybersecurity for local school systems, including (1) requiring local school systems to designate points of contact for cybersecurity-related communications and to comply with cybersecurity standards adopted by the Department of Information Technology (DoIT); (2) modifying various requirements of the Blueprint for Maryland’s Future (Blueprint) to include a focus on cybersecurity; and (3) establishing related responsibilities for DoIT. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by \$932,400 in FY 2027 for staffing and software license costs; future years reflect annualization and ongoing operating costs. Revenues are not affected.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0.9	1.0	1.0	1.0	1.1
Net Effect	(\$0.9)	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.1)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local school system expenditures increase for personnel and technology costs necessary to comply with the bill’s requirements, as discussed below. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary:

Local School Systems

Each local school system must designate a point of contact for all cybersecurity-related communications and notify the State Chief Information Security Officer (SCISO) of the designation and any subsequent update to the designation. Beginning in 2027, each local school system must (1) comply with the State minimum cybersecurity standards established by DoIT and (2) conduct a cybersecurity maturity assessment every two years.

By June 30, 2027, and every two years thereafter, each local school system must certify to the Office of Security Management (OSM) within DoIT that it complies with the State minimum cybersecurity standards.

Blueprint for Maryland's Future

The bill expands authorized uses of the target per pupil foundation amount for implementing Blueprint to include cybersecurity. The bill also repeals the requirement for local school systems to prioritize the purchase of digital devices with such funding.

Additionally, the bill modifies the annual report detailing technology costs and connectivity rates for students, teachers, and staff that must be submitted by each local board to MSDE by November 15 each year to instead (1) be due by August 15, 2026, and each August 15 thereafter, and (2) include cybersecurity expenditures related to the State minimum cybersecurity standards established by DoIT.

Department of Information Technology

The responsibilities of OSM are expanded to include annually reviewing and updating the State minimum cybersecurity standards. DoIT's information security officers must support local school systems with (1) compliance with the State minimum cybersecurity standards; (2) cybersecurity maturity assessments conducted every two years; and (3) remediation efforts. For the 2026-2027 school year, DoIT must focus on Standard 6.2 Protect (PR) Controls of the State minimum cybersecurity standards.

Current Law:

Department of Information Technology – Generally

DoIT and the Secretary of Information Technology are responsible for, among other things: (1) developing, maintaining, revising, and enforcing information technology (IT) policies, procedures, and standards; (2) providing technical assistance, advice, and recommendations to the Governor and any unit of State government concerning IT matters;

(3) reviewing agency project plans to make information and services available to the public over the Internet; and (4) developing and maintaining a statewide IT Master Plan, as specified. “Information technology” means all electronic information processing, including maintenance, telecommunications, hardware, software, and associated services.

Cybersecurity

Chapters 241, 242, and 243 of 2022 expanded and enhanced the State’s regulatory framework for State and local government cybersecurity. Among other things, the Acts required additional funding for cybersecurity, established leadership positions in State government for cybersecurity, codified existing cybersecurity requirements from a previous executive order, and required State and local governments to perform cybersecurity preparedness assessments.

The Acts were modified by Chapters 164 and 165 of 2025 to distinguish and clarify the responsibilities established by Chapters 241, 242, and 243 between DoIT and the Maryland Department of Emergency Management (MDEM). Notably, and among other things, Chapters 164 and 165 (1) transferred the responsibility for supporting local governments in developing vulnerability assessments and cyber assessments from MDEM to OSM within DoIT and (2) clarified that OSM is not responsible for assisting local government entities in the development of cybersecurity preparedness and response plans.

Chapters 241, 242, and 243 also created the Local Cybersecurity Support Fund as a special, nonlapsing fund administered by the Secretary of Emergency Management. Its purpose is to provide financial assistance to local governments to improve cybersecurity preparedness and assist local governments applying for federal cybersecurity preparedness grants. The fund may be used only (1) to provide financial assistance to local governments to improve cybersecurity preparedness, as specified; (2) to assist local governments applying for federal cybersecurity preparedness grants; and (3) for administrative expenses, as specified.

Blueprint for Maryland’s Future

Blueprint legislation, including Chapter 771 of 2019; Chapters 36 and 55 of 2021; and Chapter 33 of 2022 established new programs and updated education funding formulas, to among other provisions provide additional support for schools serving high concentrations of students living in poverty, including community schools and wraparound services, and increased support for students learning English and students with disabilities.

Blueprint legislation allows funding provided in the per-pupil foundation amount to be used for educational technology, including digital devices, broadband connectivity, and

IT staff. Local boards of education and schools must prioritize the purchase of digital devices with those funds.

State Expenditures: DoIT lacks staffing capacity to designate personnel to assist local school systems and ensure compliance with the bill’s requirements. Moreover, DoIT advises that it plans to pay for licenses for specialized cybersecurity software to assist local school systems in complying with the cybersecurity standards adopted in compliance with the bill.

Therefore, general fund expenditures for DoIT increase by \$932,389 in fiscal 2027, which accounts for a 90-day start-up delay from the bill’s July 1, 2026 effective date. This estimate reflects the cost of hiring three cybersecurity policy and strategy planners to work with and assist local school systems. It includes salaries, fringe benefits, one-time start-up costs, ongoing operating expenses, and estimated license costs for cybersecurity software.

Positions	3.0
Salaries and Fringe Benefits	\$304,967
Software License Costs	600,000
Operating Expenses	<u>27,422</u>
Total FY 2027 State Expenditures	\$932,389

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. The estimate assumes an annual license cost of \$25,000 for cybersecurity software for each of the State’s 24 local school systems; however, these costs may vary based on numerous factors, including whether each school system’s IT systems can accommodate the software and whether other software is necessary. It does not include the cost of any remediation that must be carried out as a result of the biennial cybersecurity assessments required by the bill.

Local Expenditures: Expenditures for local school systems may increase to (1) comply with the State minimum cybersecurity standards beginning fiscal 2027; (2) conduct cybersecurity maturity assessments; and (3) remediate cybersecurity protocols as a result of those assessments. With one exception, local school systems that responded to a request for information for this fiscal and policy note did not provide estimates of the costs resulting from the bill:

- Anne Arundel County Public Schools anticipates the need for independent contracted services with specialized expertise to assist in implementing the required standards;
- Frederick County Public Schools advises that it can likely implement the bill’s requirements using existing budgeted resources;

- Montgomery County Public Schools and St. Mary's County Public Schools anticipate the need for additional staff and technology upgrades to meet the bill's requirements;
- Prince George's County Public Schools anticipates the need for significant technology upgrades, both hardware and software, totaling more than \$2.0 million, to meet the bill's requirements; and
- Wicomico County Public Schools advises that, depending on the timeframe school systems are given to comply, the bill could be overly burdensome or impossible to implement in the short-term.

The Department of Legislative Services notes that actual expenditures by local school systems depend, at least in part, on the cybersecurity standards adopted by DoIT and level of assistance DoIT provides to the school systems, which cannot be reliably predicted at this time. Local school systems can designate a local point of contact for cybersecurity-related correspondence and update information included in mandated reports to MSDE using existing resources.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1309 and SB 907 of 2025.

Designated Cross File: HB 957 (Delegate Wu, *et al.*) - Government, Labor, and Elections.

Information Source(s): Department of Information Technology; Maryland State Department of Education; Department of Budget and Management; Anne Arundel County Public Schools; Montgomery County Public Schools; Prince George's County Public Schools; Frederick County Public Schools; Wicomico County Public Schools; St. Mary's County Public Schools; Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2026
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Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510